

TRADEWINDS

California Department of Food and Agriculture
Agricultural Export Program

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AHLEM APPOINTED CDFA UNDERSECRETARY

Governor Arnold Schwarzenegger announced the appointment of Charles "Chuck" D. Ahlem as undersecretary of the California Department of Food and Agriculture on January 6, 2004.

"Chuck's experience in the ranching and agricultural industry has prepared him well to serve in this very important role," said Governor Schwarzenegger.

Ahlem has owned and operated the Charles Ahlem Ranch in the Central Valley since 1974, and is a founding partner and part owner of the Hilmar Cheese Company. From 1996 to 2000, Ahlem served as a board member of the Central Valley Regional Water Quality Control Board and in 1996 he accompanied then-California Agriculture Secretary Veneman as dairy representative on a trade mission to China, Vietnam, Korea and Japan. Since 1994, Ahlem has served on the California State Board of Food and Agriculture.

Ahlem also has a background and interest in agricultural education. He is a member of the Cal Poly, San Luis Obispo Dean's Agricultural Advisory Committee and is a member of the University of California President's Advisory Committee of Agriculture and Natural Resources.

"I am honored that Governor Schwarzenegger has asked me to use my background in agricultural education and expertise in ranching and livestock to serve in his administration," said Ahlem.

For the full text of the press release, please follow the link to Governor Schwarzenegger's press room online at www.governor.ca.gov/state/govsite/gov_homepage.jsp

NEWS

DAIRY EXPORT ASSISTANCE PROGRAM THROUGH CWT

Cooperatives Working Together (CWT), the farmer-funded milk reduction effort managed by NMPF (National Milk Producers Federation), will soon implement an export assistance program, the third element of its multi-dimensional plan to strengthen and stabilize farm milk prices.

The first two dairy-farmer oriented programs are already underway. Through the Herd Retirement program, more than 2,000 farmers have submitted bids to be compensated for selling their herds. Over 500 dairy producers submitted bids to the Reduced Production Marketing program to be compensated for reducing their farms' milk output by up to 50%. These two programs are currently reducing U.S. milk supplies by approximately 700 million pounds.

CWT's goal is to export approximately 30 million pounds of cheese in the next six months, and about 10 million pounds of butter, using a budget of \$20 million. CWT will operate the export assistance program when the U.S. price of cheese is \$1.30 per pound or lower, or \$1.10 per pound or lower for butter. Only CWT member organizations will be eligible to participate. CWT will accept offers from those organizations to export cheese and butter, and will award export bonuses based on the lowest bid prices.

The export assistance program is intended to help reduce domestic butter and cheese stocks, and provide additional lift for farm-level milk prices, which are tied to the wholesale price.

CWT is being funded by dairy cooperatives and individual dairy farmers, who are contributing 5 cents per hundredweight assessment on their milk production from July 2003 through June 2004. The money raised by CWT's assessment is being apportioned among three supply reduction programs to improve the national all milk price by a target of 36 cents per hundredweight.

For more on CWT's activities, visit the CWT website at www.cwt.coop. Source: California Dairy Review



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USDA OFFERS BSE RESOURCES ONLINE

The Foreign Agricultural Service (FAS) branch of the United States Department of Agriculture has BSE resources online, operating as a clearinghouse for information from an international perspective. The site, located at www.fas.usda.gov/, provides links to BSE pages for various government and organization sites, as well as links to related documents, including updates on trade status bans implemented by various countries and links to guides relating to exporter assistance.

The USDA provides general information regarding bovine spongiform encephalopathy (BSE) and specifics on the U.S. case online at www.usda.gov/BSE/. The website provides real-time technical briefings and webcasts, update statements, press releases, transcripts and video, and links to other resources and related topics.

The USDA's Food Safety Inspection Service (FSIS) also offers BSE information on its website at www.fsis.usda.gov/oa/whatsnew.htm. Resources include a tutorial on the use of dentition to determine the age of cattle, information on educational workshops on new federal regulations, and FAQ pages.

Source: USDA

EXPORT OPPORTUNITIES

- A French importer wants to locate suppliers of kangaroo, bison, wild boar, hind, and deer meats
- Russian companies are seeking suppliers of corn starch, food coloring, sausage casings, raw in-shell peanuts, blanched peanuts, and raw almonds
- Taiwanese companies are interested in locating frozen smoked salmon, flounder, and trout; fresh corn, onions, strawberries, and carrots; dried, diced fruit; organic fruit and vegetables; sugar; brown sugar; canned peaches, cherries, mushrooms, and tomatoes; raw and roasted / salted cashews, almonds, hazelnuts, and pecans; powdered milk; butter; non-chocolate candy; tomato paste; mozzarella and cheddar cheese; and chips, cookies, and crackers
- A Korean company is looking for a supplier of russet potatoes
- A company in Hong Kong is seeking suppliers of soybean oil, soybean meal, and feed corn

If you are interested in one or more of these export opportunities, please e-mail the Agricultural Export Program: aepinfo@cdfa.ca.gov



RECENT FAS/USDA REPORTS

The following reports of interest were released during the month of January. Reports are available on-line at www.fas.usda.gov

Latvia: Exporter Guide

Argentina: Exporter Guide

Finland: Retail Food Sector Report

GUIDANCE NOTES FOR EU LABELING REQUIREMENTS FOR WINE

The Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA) works to improve foreign market access for U.S. products. A vital part of this mission is to understand foreign regulations and practices.

The United Kingdom Wine Standards Board (WSB) has alerted FAS that in order to address numerous and frequent labeling problems with wine imported from the U.S., the WSB has issued "Guidance Notes for the Labeling of Wines Imported Into the U.K." This document is intended to complement the official EU regulations, which are available online at http://europa.eu.int/eur-lex/en/lif/reg_en_register_036055.html.

The WSB is designated a Competent Authority to secure the enforcement and execution within the U.K. of European Community Regulations in the wine sector. Their enforcement responsibilities apply to all premises and traders within the production and marketing chain, including wholesalers, warehouses and vineyards.

The WSB endeavors to provide information and education so as to minimize disruption and inconvenience to trade.

The FAS hopes that a greater knowledge of the points contained within these guidance notes will add to the continuing success of U.S. wine sales in the United Kingdom.

Source: USDA/FAS/American Embassy, London

FAS TRADE MISSIONS TO MALAYSIA AND THAILAND IN APRIL

Malaysia and Thailand are excellent markets for United States products. The USDA's Foreign Agricultural Service (FAS) is sponsoring two trade missions following Food and Hotel Asia in April.

The Malaysian trip is April 24-27. In 2002, Malaysia imported over \$402 million of agricultural products from the U.S. Over 60% of the population is middle to upper income and can afford imported food products. The 2002 FAS trade mission to Malaysia generated over \$2 million in sales.

Current best product prospects for U.S. exports include fresh and processed fruit and vegetables, snack foods and nuts, wine, dairy products, halal food preparations, halal meats, and seafood.

The trade mission to Thailand takes place April 24-28, and targets one of the most popular tourist destinations in the world, with nearly 11 million visitors in 2003. Thais like to try new products, and about 15 million Thais are middle to upper income and can afford to purchase imported products often.

Thailand imported more than \$80 million in consumer-oriented U.S. agricultural products in 2002, a 22% increase over 2001. This year's best prospects include fresh fruits, snack foods and nuts, wine, beer, and spirits, fruit juices, dairy products, seafood, and ready-to-eat desserts.

Participants in both missions will have guided tours of supermarkets and retail outlets, have an opportunity to exhibit their products to qualified trading partners, and have prearranged meetings with top importers, supermarket buyers, chefs, and food and beverage managers. Participants will learn about the Malaysian or Thai markets from FAS and industry representatives.

The application deadline for both trade missions is February 15, 2004. Each costs \$550, which includes all mission activities; this fee does not cover airfare, hotel, meals, or incidentals. Eligible expenses are reimbursable through the MAP branded program, administered by commodity organizations and state regional trade groups.

For further details about either mission, please contact Shani Zebooker at (202) 720-2075 or by email at Shani.Zebooker@usda.gov or Alan Di Stefano at (775) 687-4325.

WUSATA PLANS BUSINESS TRIP TO MEXICO CITY AFTER ANTAD

The Western United States Trade Association (WUSATA) is arranging a three-day visit to Mexico City immediately following ANTAD, which takes place March 12-15. Participants will become familiar with the supermarket chains and club stores and, most importantly, they will become acquainted with the leaders in the Mexican food market. They can also take the opportunity to reinforce future business plans entered into at ANTAD.

Appointments will be geared to individuals' special requirements, and there will be time for one-on-one conversations. *Remember that the personal touch is really the most effective method for doing business in Mexico.*

The itinerary will be arranged for participants as well as transportation. An interpreter will also be arranged, although most importers speak English, so language should not be considered a deterrent.

Participants' expenses for the Mexico City visit will include the flight from Guadalajara, the hotel, a nominal fee for transportation, food and, of course, the obligatory shopping. Companies can cap off their investment in ANTAD with this low-cost trip to Mexico City.

For more information, contact Dawn Velasquez de Perez at (303) 239-4123 or Mandi Thompson at (208) 736-2114.

UPCOMING TRADE EVENTS

Supported by the California Department of Food and Agriculture

ANTAD

March 12-15, 2004, Guadalajara, Mexico

This is the biggest and most prestigious annual food and supermarket show in Mexico. At least 10,000 attendees are expected and twelve countries will be participating.

FOOD TAIPEI 2004

June 17-20, 2004, Taipei, Taiwan

Over 50,000 visitors attended this top food and beverage show in 2002. Taiwan is the fifth largest export market for U.S. food and agricultural products.

For information regarding any of these upcoming events, please e-mail the Agricultural Export Program: aepinfo@cdfa.ca.gov



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